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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

NOV 25 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

ORIGINAL

In the Matter of )  
 )  
Provision of Access for ) RM No. 8535  
900 Number Service )

COMMENTS

BellSouth Telecommunications, Inc. ("BellSouth")  
herewith submits comments on the above-captioned petition  
for rulemaking, filed October 18, 1994, by The Teleservices  
Industry Association (the "Association"). The Association,  
which represents pay-per-call information providers, seeks a  
rulemaking to establish a system of ten-digit screening for  
900 numbers analogous to the database technology now used to  
route numbers employing the 800 service access code (SAC).  
The Association argues that the pay-per-call industry needs  
the competitive stimulus of number portability--a feature  
lacking under the current "NXX" screening system. It  
further contends that the cost to implement 900 number  
portability would be minimal, given that the network  
infrastructure, database technology and administrative  
procedures are in place and presently functioning to provide  
10 digit screening of 800 numbers.

BellSouth opposes the initiation of this rulemaking.  
"NXX" screening is adequate to meet the needs of the 900  
services market at present and projected demand levels.  
Moreover, even if 900 number portability is deemed desirable  
in the near term, the Commission should refer this issue to

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industry policymaking bodies (as it has already done in the case of 500 number portability) and refrain from expending scarce regulatory resources on the specifics of implementation.

#### DISCUSSION

Notwithstanding representations by the Association, demand for 900 services is declining. Data compiled by BellSouth from the Carrier Access Billing System (CABS) shows a reduction of 34% in demand from 1991 to 1993.<sup>1</sup> Corresponding revenue reductions have also been noted. If 900 services are burdened with the additional cost of implementing a new database technology, rates will inevitably rise and exert further downward pressure on demand levels. A revenue shortfall and consequent stranded investment would appear to be the probable outcome of such a strategy. It is also significant that in a survey of interexchange carriers conducted by BellSouth in 1992, only 23% perceived any need for database technology. These results were essentially unchanged in a more recent poll conducted in June 1994. 900 services would thus appear to be a mature offering of limited growth potential and with an

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<sup>1</sup> Between the years 1990 and 1993 BellSouth recorded originating minutes of use (MOU) for 900 services as follows:

<u>Year</u>	<u>MOU (millions)</u>
1990	68.7
1991	66.1
1992	49.4
1993	45.5

existing demand base which is incapable of supporting the added cost of database technology.<sup>2</sup>

In addition, the resources necessary to develop and deploy a system providing 900 number portability have been understated. Contrary to assumptions underlying the petition for rulemaking, the addition of this feature to existing technology would entail more than a small incremental cost. 800 database uses Intelligent Network (IN) technology. Each new application requires the development of costly central office switch and database software and hardware. A less expensive and more flexible alternative is represented by Advanced Intelligent Network (AIN) technology, which will ultimately be deployed throughout the network infrastructure. However, it is unlikely that BellSouth could offer 900 number portability using an AIN solution before 1998, when all end offices will be AIN-equipped or have access to an AIN-equipped tandem. Moreover, to achieve national number portability, every other LEC would have to introduce similar modifications to its network. BellSouth is unable to estimate the interval required to complete all such modifications. Finally, a centralized database, corresponding to the 800 Service Management System (SMS) but applying AIN technology, must be

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<sup>2</sup> This decline in 900 services demand can doubtless be ascribed to several causes. In particular, the continuing migration of programming to other dialing arrangements (e.g., 800, international, 10XXX) has likely been a significant factor.

developed, tested and deployed. Procedures and business arrangements for database access, number reservation, record modification, etc. must likewise be developed and operational. None of these matters can be swiftly resolved.

BellSouth will continue to monitor the 900 services market and is not opposed to the introduction of ten-digit screening should sufficient demand materialize to warrant the necessary expenditure. In that event, the Commission should refer implementation issues to the appropriate industry forum--as has been done for 500 number portability--and limit its involvement to those questions for which an industry consensus proves elusive. No useful purpose would be served through a rulemaking, which would consume scarce administrative resources and ultimately prove a cumbersome means for addressing the myriad of technological and operational details inherent in a 900 database offering.

#### CONCLUSION

The introduction of 900 number portability cannot be readily achieved, contrary to representations in the petition for rulemaking. A significant expenditure of capital and time is required to accomplish the necessary technological modifications and to formulate procedures for database access and administration. Such an effort does not appear warranted at this time in light of declining service demand. If 900 number portability is ordered now or in the future, responsibility for implementation should be vested

in the appropriate industry forum. A rulemaking is unnecessary to address this question and would constitute an inefficient allocation of scarce Commission resources.

Respectfully submitted,

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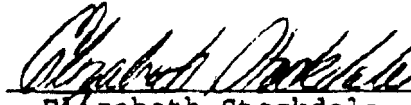
DATE: November 23, 1994

CERTIFICATE OF SERVICE

I, Elizabeth Stockdale, do hereby certify that I have served the persons listed below with a copy of the foregoing COMMENTS by placing a true and correct copy of the same in the United States Mail, First Class, postage prepaid.

This the 23rd day of November, 1994.

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